

STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION

July 25, 2023 - 9:04 a.m.
21 South Fruit Street
Suite 10
Concord, NH

RE: DE 23-057
UNITIL ENERGY SYSTEMS, INC.:
Revenue Decoupling Adjustment, Stranded
Cost Recovery, and External Delivery
Charge Reconciliation and Rate Filing.

PRESENT: Chairman Daniel C. Goldner, *Presiding*
Commissioner Pradip K. Chattopadhyay
Commissioner Carleton B. Simpson

F. Anne Ross, Esq./PUC Legal Advisor

Doreen Borden, Clerk

APPEARANCES: Reptg. Unitil Energy Systems, Inc.:
Matthew C. Campbell, Esq.

Reptg. New Hampshire Dept. of Energy:
Suzanne G. Amidon, Esq.
Molly M. Lynch, Esq.
Elizabeth Nixon, Dir./Energy Group
Jacqueline Trottier, Energy Group
Heidi Lemay, Energy Group
Stephen Eckberg, Energy Group
(Regulatory Support Division)

Court Reporter: Steven E. Patnaude, LCR No. 52

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PAGE NO.

WITNESS PANEL: **CHRISTOPHER J. GOULDING**
 DANIEL T. NAWAZELSKI
 LISA S. GLOVER
 CHAD R. DIXON
 LINDA S. McNAMARA

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EXHIBIT NO.	D E S C R I P T I O N	PAGE NO.
1	Unitil Energy Systems, Inc. Revenue Decoupling Adjustment Factor Filing (06-01-23)	<i>premarked</i>
2	Unitil Energy Systems, Inc. Stranded Cost Recovery and External Delivery Charge Filing (06-16-23) {CONFIDENTIAL & PROPRIETARY}	<i>premarked</i>
3	Unitil Energy Systems, Inc. Stranded Cost Recovery and External Delivery Charge Filing (06-16-23) <i>[REDACTED - For PUBLIC Use]</i>	<i>premarked</i>
4	Unitil Energy Systems, Inc. Supplemental Revenue Decoupling Adjustment Factor Filing (06-28-23)	<i>premarked</i>
5	Unitil Energy Systems, Inc. Revised Testimony and Attachments of Linda S. McNamara (07-14-23)	<i>premarked</i>
6	RESERVED FOR RECORD REQUEST <i>(RE: To provide a list of schedules the Company is asking for approval of.)</i>	60

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P R O C E E D I N G

CHAIRMAN GOLDNER: Okay. Good morning, everyone. I'm Chairman Goldner. I'm joined today by Commissioner Chattopadhyay and Commissioner Simpson.

We're here this morning for a hearing in Docket DE 23-057. The authority to convene a hearing in this matter is provided by RSA 378:7 and 378:8. We are considering testimony and evidence concerning the rates charged by Unitil for the Revenue Decoupling Adjustment, Stranded Cost recovery, and the External Delivery Charge. This filing is an annual reconciliation, and rates are requested to be effective August 1st, 2023.

Let's take appearances, beginning with the Company.

MR. CAMPBELL: Good morning, Commissioners. Matt Campbell, on behalf of Unitil Energy Systems, Incorporated.

CHAIRMAN GOLDNER: Very good. And the New Hampshire Department of Energy?

MS. AMIDON: Thank you. Suzanne Amidon, for the Department. With me today I have

1 Steve Eckberg, an analyst in the Energy Group;
2 Liz Nixon, who is the Director of the Energy
3 Group; and, to the far right here, Jackie
4 Trottier, who worked as an analyst on this
5 docket; and, in addition, Heidi Lemay also worked
6 on this docket, and she's sitting at the back
7 table with a couple of the attorneys from the
8 Department.

9 Thank you.

10 CHAIRMAN GOLDNER: Okay. Very good.

11 Are there any preliminary issues that
12 the parties wish to raise or opening statements
13 that the parties wish to make?

14 MR. CAMPBELL: Not for the Company.

15 CHAIRMAN GOLDNER: Okay. Seeing none.

16 The parties have premarked and filed
17 Exhibits 1 through 5. Are there any other
18 exhibits the parties wish to submit today?

19 MR. CAMPBELL: Not for the Company.

20 CHAIRMAN GOLDNER: Okay. Seeing none.

21 Okay. Today, there are no intervenors.
22 The DOE, specifically Mr. Eckberg and Ms. Nixon,
23 provided a helpful recommendation on July 21st,
24 2023.

1 We have five Unitil witnesses are the
2 only witnesses in this case. Would the Company
3 like to present its witnesses as a panel?

4 MR. CAMPBELL: Yes, please.

5 CHAIRMAN GOLDNER: Okay. Any other
6 comments from the Department of Energy or are we
7 ready to begin with direct?

8 MS. AMIDON: I think we're ready to
9 begin. Thank you.

10 CHAIRMAN GOLDNER: Okay. Thank you.
11 Attorney Campbell, please proceed.

12 MR. CAMPBELL: Okay. I'm going to
13 begin with Mr. Goulding here, to my right.

14 [*Court reporter interruption.*]

15 CHAIRMAN GOLDNER: Sorry, Mr. Patnaude.
16 Please proceed.

17 (*Whereupon **CHRISTOPHER J. GOULDING,***
18 ***DANIEL T. NAWAZELSKI, LISA S. GLOVER,***
19 ***CHAD R. DIXON, and LINDA S. McNAMARA***
20 *were duly sworn by the Court Reporter.*)

21 MR. CAMPBELL: Thank you.

22 **CHRISTOPHER J. GOULDING, SWORN**

23 **DANIEL T. NAWAZELSKI, SWORN**

24 **LISA S. GLOVER, SWORN**

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

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CHAD R. DIXON, SWORN

LINDA S. McNAMARA

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Mr. Goulding, please state your full name, employer, the position that you hold with the Company, and your responsibilities in that position?

A (Goulding) My name is Christopher Goulding. I'm employed by Unitil Service Corp., and I am the Vice President of Finance and Regulatory. My responsibilities include all rate and regulatory filings, financial planning and analysis, treasury operations, budget, and insurance and loss control programs.

Q Hearing Exhibits 2 and 3 are the Company's initial filing in this case with regard to the Annual Stranded Cost Recovery and the External Delivery Charge Reconciliations. And included in these exhibits is the prefiled direct testimony that you sponsored, as well as sporting exhibits. Was your direct testimony and the supporting attachments prepared by you or under your direction?

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 A (Goulding) Yes, it was.

2 Q Do you have any corrections to your direct
3 testimony that you'd like to make on the stand
4 today?

5 A (Goulding) No, I do not.

6 Q And do you adopt your direct testimony and the
7 supporting exhibits as your sworn testimony
8 today?

9 A (Goulding) I do.

10 Q Thank you. Mr. Nawazelski, please state your
11 full name, employer, the position that you hold
12 with the Company, and your responsibilities in
13 that position?

14 A (Nawazelski) Good morning. My name is Daniel
15 Nawazelski. I am the Manager of Revenue
16 Requirements for Unitil Service Corp. In this
17 capacity, I'm responsible for the preparation and
18 presentation of distribution rate cases, and
19 support of other various regulatory proceedings.

20 Q Hearing Exhibits 2 and 3 are the Company's
21 initial filing in this case with regard to Annual
22 Stranded Cost Recovery and the External Delivery
23 Charge Reconciliations. And included in these
24 exhibits is the prefiled direct testimony that

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 you sponsored, as well as supporting exhibits.
2 Was your direct testimony and the supporting
3 attachments prepared by you or under your
4 direction?

5 A (Nawazelski) Yes, it was.

6 Q Do you have any corrections to your direct
7 testimony that you'd like to make on the stand
8 today?

9 A (Nawazelski) Yes, I do. On Hearing Exhibit 3,
10 Bates Page 142, on Schedule DTN [DTN-1?], Line 2
11 and 5, Column 5, there is a reference to "DE
12 21-030, Schedule 3-10 Property Tax Revised".
13 That reference should be changed to "DE 21-030,
14 Schedule 3-19 Property Tax Revised".

15 Q Thank you. And do you adopt your direct
16 testimony and the supporting exhibits, subject to
17 the correction you just made, as your sworn
18 testimony today?

19 A (Nawazelski) Yes, I do.

20 Q Ms. Glover, please state your full name,
21 employer, the position that you hold with the
22 Company, and your responsibilities in that
23 position?

24 A (Glover) Good morning. My name is Lisa Glover.

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 I work for Unitil Service Corp. I am a Senior
2 Energy Analyst. And my primary responsibilities
3 include default service budgeting,
4 administration, procurement, long-term renewable
5 energy procurement, and electric market operation
6 and data reporting.

7 Q Hearing Exhibits 2 and 3 are the Company's
8 initial filing in this case with regard to Annual
9 Stranded Cost Recovery and the External Delivery
10 Charge Reconciliations. And included in these
11 exhibits is the prefiled direct testimony that
12 you sponsored, as well as supporting exhibits.
13 Was your direct testimony and the supporting
14 attachments prepared by you or under your
15 direction?

16 A (Glover) Yes.

17 Q Do you have any corrections to your testimony
18 that you'd like to make on the stand today?

19 A (Glover) No corrections.

20 Q And do you adopt your direct testimony and the
21 supporting exhibits as your sworn testimony
22 today?

23 A (Glover) Yes, I do.

24 Q Thank you. Mr. Dixon, please state your full

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 name, employer, the position that you hold with
2 the Company, and your responsibilities in that
3 position?

4 A (Dixon) Yes. Good morning. My name is Chad
5 Dixon. I am the Manager of General Accounting
6 for Unutil Service Corp. I am responsible for --
7 sorry, let me start over. Apologize.

8 My name is Chad Dixon. I am the
9 Manager of General Accounting for Unutil Service
10 Corp. I'm responsible for the team that prepares
11 the monthly and quarterly and annual financial
12 and regulatory reporting for Unutil Service Corp.
13 and its subsidiaries.

14 Q And Hearing Exhibits 2 and 3 are the Company's
15 initial filing with regard to Annual Stranded
16 Cost Recovery and the External Delivery Charge
17 Reconciliations. And included in these exhibits
18 is the prefiled direct testimony that you
19 sponsored, as well as supporting exhibits. Was
20 your direct testimony and the supporting
21 attachments prepared by you or under your
22 supervision?

23 A (Dixon) Yes.

24 Q Do you have any corrections to your direct

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 testimony that you'd like to make on the stand
2 today?

3 A (Dixon) No, I do not.

4 Q And do you adopt your direct testimony and the
5 supporting exhibits as your sworn testimony
6 today?

7 A (Dixon) Yes, I do.

8 Q Thank you. Ms. McNamara, please state your full
9 name, employer, the position that you hold with
10 the Company, and your responsibilities in that
11 position?

12 A (McNamara) Good morning. My name is Linda
13 McNamara. I am a Senior Regulatory Analyst for
14 Unutil Service Corp. Some of my responsibilities
15 include tariff preparation, regulatory filings,
16 including the Revenue Decoupling Adjustment, EDC,
17 and SCC that you see before you.

18 Q Hearing Exhibit 1 is the Company's initial filing
19 in this case regarding the Revenue Decoupling
20 Adjustment Factor. And included in this exhibit
21 is the prefiled direct testimony that you
22 sponsored, as well as supporting exhibits. And,
23 on June 28th, 2023, the Company filed a
24 supplement to its RDAF filing, marked as Hearing

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 "Exhibit 4", with a new proposed tariff page,
2 marked as "Calculation of the Revenue Decoupling
3 Adjustment Factors, Original Page 69-H", for
4 effect August 1st, 2023. And then, on July 14th,
5 2023, the Company filed revisions to the RDAF
6 filing, which has been marked as Hearing "Exhibit
7 5". Was your direct testimony and the supporting
8 attachments, including the supplemental filing,
9 and the changes in subsequent filings, prepared
10 by you or under your direction?

11 A (McNamara) Yes.

12 Q Do you have any corrections to your direct
13 testimony relating to the RDAF that you'd like to
14 make on the stand today?

15 A (McNamara) No.

16 Q And do you adopt your direct testimony, and the
17 supporting exhibits relating to the RDAF, subject
18 to the changes in subsequent filings, as your
19 sworn testimony?

20 A (McNamara) I do.

21 Q Hearing Exhibits 2 and 3 are the Company's
22 initial filing in this case concerning Annual
23 Stranded Cost Recovery and the External Delivery
24 Charge Reconciliation. And included in these

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 exhibits is the prefiled direct testimony that
2 you sponsored, as well as supporting exhibits.
3 And, on July 14th, 2023, the Company filed
4 revisions to your testimony and exhibits relating
5 to the Annual Stranded Cost Recovery and the
6 External Delivery Charge Reconciliation, and
7 these have been marked as Hearing "Exhibit 5".
8 Was your direct testimony and the supporting
9 attachments, as well as the changes in somewhat
10 filings, prepared by you or under your direction?

11 A (McNamara) Yes.

12 Q Do you have any corrections to your direct
13 testimony, relating to the Annual Stranded Cost
14 Recovery and External Delivery Charge
15 Reconciliation, that you'd like to make on the
16 stand today?

17 A (McNamara) No.

18 Q And do you adopt your direct testimony and the
19 supporting exhibits relating to the Annual
20 Stranded Cost Recovery and the External Delivery
21 Change Reconciliation, subject to the changes in
22 subsequent filings, as your sworn testimony
23 today?

24 A (McNamara) Yes, I do.

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 MR. CAMPBELL: Thank you. The
2 witnesses are now available for
3 cross-examination.

4 CHAIRMAN GOLDNER: Okay. Thank you,
5 Attorney Campbell.

6 We'll move to Attorney Amidon, and the
7 DOE.

8 MS. AMIDON: Thank you, Chairman. Good
9 morning. I'll be probably bouncing around a
10 little bit. So, please decide among yourselves
11 who's the best to answer the question.

12 **CROSS-EXAMINATION**

13 BY MS. AMIDON:

14 Q But my first question has to do with the revised
15 filing. And, as I understand it, and I'm asking
16 you to help me, to help explain, the reasons for
17 that was a change to the electric vehicle tariff
18 in the Company's original filing. Could you
19 explain what that change was, and if there were
20 any other revisions in that revised -- any other
21 changes in that revised filing?

22 A (McNamara) Sure. I just want to pull up the
23 document, that I believe you referenced "Exhibit
24 5" with the changes.

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 Q Oh.

2 A (McNamara) Or maybe you didn't. The change that
3 was submitted in Exhibit 5, with regard to the EV
4 tariff, had to do with the Revenue Decoupling
5 Adjustment Factor, which is -- this was the first
6 time that Unitil had one, and the rate had been
7 mistakenly applied to all of the TOU and EV
8 classes initially, in the Company's initial
9 filing. And, upon review, realized that the EV
10 classes, and I probably shouldn't even say
11 "realized", because part of me knew this already
12 as I was preparing filing. But, unfortunately,
13 with the tariff page, it didn't come across that
14 way, was incorporated into the three EV classes,
15 the Residential, G-2, and G1.

16 And, so, the correction that was made,
17 as part of Exhibit 5, removes the Revenue
18 Decoupling Adjustment Factor from those three
19 classes, keeps it applied to the Domestic
20 Time-of-Use class.

21 Q So, that was the only change that was made in the
22 revised filing?

23 A (McNamara) That is correct. It did not affect
24 the rate. It was just a tariff presentation. As

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 well as the calculation to show how we derived
2 the time-of-use rates, which I could -- were
3 revisions to part of my Schedule LSM-2. On
4 Exhibit 5, it is Bates stamped Pages 021, 022,
5 and 023 of Exhibit 5. Those are some of the, I
6 guess, if you will, background calculations on
7 how the time-of-use and EV rates are calculated.

8 Q Thank you. And thank you for the reference to
9 the page numbers. I appreciate that.

10 Would you -- I notice that the tariff
11 pages included Low Income Electric Assistance
12 discounts. And I think those are also for effect
13 August 1. Is the Company asking for approval of
14 those discounts or is this part of just a simple
15 notice to the Commission?

16 A (McNamara) The Company is requesting approval of
17 the Low-Income tariff page, which is the
18 Company's Tariff Page 6. And, in the revised
19 filing, let me see, I'm on the redline version of
20 it right now.

21 Q I had "LSM-3, Bates 038". But maybe I am
22 incorrect.

23 A (McNamara) In -- no, I'm sure you're correct.
24 I'm bouncing between many pages here, trying to

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 find it quickly.

2 It was Bates stamp Page 024 -- 025 --
3 020 -- I'm sorry.

4 Q It's Exhibit 5, Page 25, is that right?

5 A (McNamara) No. I believe Page 25 of Exhibit 5
6 is -- it was filed in a few places, that's why
7 I'm having a hard time finding it.

8 Q I appreciate that. Take your time. I'm sorry.

9 A (McNamara) In Exhibit 3, it was filed as Bates
10 Page 051 for the redline. I don't know that it
11 was Bates stamped as a clean version. But, if
12 you reference Exhibit 3, Bates Page 051 shows the
13 redline version. I need to see if I can find a
14 Bates page for the clean version of it.

15 Q Again, take your time. I'm sorry if I pushed
16 you.

17 A (McNamara) The filing is 408 pages. So, I'm not
18 sure where it was incorporated.

19 Okay. It's at the end. Let's see.
20 Bates Page 406 of Exhibit 3 provides the proposed
21 tariff page of Low-Income discounts.

22 Q Thank you. Fortunately, for me, the rest of my
23 questions don't involve pages generally, which
24 have been my Achilles' heel in these proceedings.

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 So, I apologize for that.

2 I wanted to talk generally about some
3 of the basic components in this filing. And the
4 first one is the Stranded Cost Charge, which, as
5 I understand it, is the mechanism used by the
6 Company to recover costs associated with
7 restructuring and divesting of long-term purchase
8 obligations. I understand there are some credits
9 associated with that as well.

10 Am I correct that the Stranded Cost
11 Charge is a credit in this case? In this
12 particular filing, excuse me?

13 A (McNamara) Yes. You are correct.

14 Q Thank you. And does the Company foresee, at some
15 point in the future, a discontinuance of the SCC
16 or Stranded Cost Charge being part of this
17 docket?

18 A (Glover) Yes. At some point, we will be phasing
19 that out. And the reason that we still have
20 these Stranded Cost Charges is we are currently,
21 as a transmission owner percentage in New
22 Hampshire, we are still paying, there's two
23 portions of it, we are still paying under a
24 couple of Hydro-Quebec agreements. And, as a

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 result of still having those PTO requirements and
2 obligations, we are also still getting credit
3 from ISO-New England.

4 So, the offset credit is the payments
5 are less than the credit that we're getting from
6 ISO-New England. Once we have terminated our
7 participation in those Hydro-Quebec contracts,
8 then we will be -- no longer have the obligation
9 to pay those, and we will not be getting revenue
10 from ISO-New England.

11 Q Okay. Thank you. That was a very good
12 explanation.

13 Now, I think we talked briefly about
14 this at one of the technical sessions, Ms.
15 Glover. But I believe that LSG-2, Page 1 of 4,
16 and, again, if you -- I'm sure you have a Bates
17 page, if you could find that document, and let me
18 know when you're there please?

19 A (Glover) LSG-2. I'm with you.

20 Q Thank you. So, could you tell the Commission
21 what items are included in the
22 transmission-related costs of the External
23 Delivery Charge?

24 And I think they may be Items (a)

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 through (m), but I want you to take a look at it
2 and let me know if you agree?

3 A (Glover) Yes. So, the charges that are included
4 for the External Delivery Charges are associated
5 with provided transmission services outside of
6 UES's system. And they exclude default service
7 related external administration charges. So that
8 what it does include would be -- what it
9 excludes, let's do that, that would probably be a
10 little bit easier, would be, as far as
11 transmission, are you asking -- you're asking me
12 about transmission, right?

13 Q Correct.

14 A (Glover) Thank you. That would exclude the net
15 metering, it would exclude RGGI proceeds, it
16 would exclude pretty much everything on the right
17 side, (f) through (s). And I'm going to --
18 Linda, is that -- I'm going to ask you to confirm
19 with me?

20 CMSR. SIMPSON: Ms. Glover, could you
21 identify the exhibit and Bates page for me
22 please?

23 WITNESS GLOVER: I'm sorry. Actually,
24 I'm looking at Schedule LSG-2. I'm on Bates

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 Page 072.

2 MR. CAMPBELL: Yes. "00072" in the
3 middle of the page, "085" --

4 *[Court reporter interruption.]*

5 CMSR. SIMPSON: Which exhibit?

6 WITNESS GLOVER: Oh, I'm sorry.

7 *[Court reporter interruption.]*

8 WITNESS GLOVER: I don't know the
9 exhibit number.

10 MR. CAMPBELL: So, it's Exhibit 3,
11 Bates Page 085.

12 CMSR. SIMPSON: Thank you.

13 BY MS. AMIDON:

14 Q So, just to frame the question, as I understand
15 it, during restructuring, the Legislature
16 directed that the transmission costs be all in
17 one bucket, the distribution costs be all in one
18 bucket, and that the energy service costs all be
19 in one bucket. So, the companies, all of the
20 electric companies, were essentially required to
21 determine, for example, the portion of working
22 capital, the legal costs, the ISO fees, and even
23 the assessment, in terms of allocating those
24 costs to a particular line of business, if you

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 will.

2 So, do you generally agree with that,
3 that the transmission costs include not only the
4 FERC-approved tariff costs administered by the
5 ISO, but then also some internal costs calculated
6 by the Company to pertain to the
7 transmission-related cost procurement?

8 A (Glover) Well, we have broken the transmission
9 costs for the EDC into two buckets. There is
10 (a) through (d), which includes the Third Party
11 Transmission, Regional Transmission, Third Party
12 Transmission, and some Working Capital. Those
13 are the transmission-related, directly related
14 costs. And then, anything on the other side on
15 that table, (f) through (r), or I guess you could
16 include the sub-total of (s), are
17 nontransmission-related.

18 Q Okay. Well, when I looked at this, I guess I had
19 a different interpretation. For example, if you
20 look at (j), legal costs, says "Legal fees
21 related to the Company's transmission and energy
22 obligations and responsibilities, including legal
23 and regulatory activities associated with the
24 ISO, NEPOOL, RTO, and FERC." And each of these

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 down, I think, through (m) included some aspect
2 of transmission costs. But we could go through
3 them one by one. But are you saying that you're
4 billing to distribution everything from (g)
5 through (m)?

6 A (McNamara) I was just going to mention that I
7 think it might just be a terminology issue.

8 Q Okay.

9 A (McNamara) As far as I believe what Ms. Glover is
10 getting to more is that the costs that she's
11 referencing in Columns (a) through (d) are, and I
12 probably don't have a better way of saying it,
13 but direct transmission costs. Whereas the
14 revision columns are indirect transmission costs,
15 meaning they're related to transmission, but they
16 aren't the costs associated with actually
17 providing transmission.

18 Q Yes. Well, that's -- yes, I think we were saying
19 the same thing. But that's exactly what I was
20 trying to point out, and actually I was trying
21 to, and I failed to do it, I was trying to
22 clarify that for the Commission. Because, in
23 other words, there are non-FERC related costs
24 that the Company incurs on its own related to the

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 provision of transmission service, and that
2 includes data and information, legal charges,
3 administrative services, and a number of other
4 costs that look like they're recovered through
5 the EDC, and the costs appear to me to go down to
6 (m), which says "Costs of Non-Distribution/EDC
7 Portion of the Assessment"?

8 A (Glover) That is correct. They're all recovered
9 through the EDC.

10 Q Okay.

11 A (Glover) Yes.

12 A (McNamara) If it does help clarify, too, Bates
13 Page 084 of Exhibit 3 does provide a list of each
14 particular line item of each cost that is
15 included in Ms. Glover's tables.

16 Q Thank you very much. Well, the EDC, in addition
17 to recovering transmission costs, recovers a
18 number of other costs, for example, RGGI costs
19 that are incurred by the Company, and have been
20 authorized by the Commission for such recovery,
21 is that true?

22 A (Glover) That's correct.

23 Q And, so, they're not related to transmission, per
24 se, they're really distribution-related costs, is

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 that fair to say?

2 A (Glover) Yes.

3 Q Thank you. All right. I think I've done enough
4 damage there. I'm just going to move on.

5 I have a couple of questions about the
6 RDAF, and a rate question for Ms. McNamara. And
7 thank you for your patience today, Ms. McNamara.

8 So, the Petition that the Company filed
9 on the RDAF came in as a separate filing, and
10 it's separate from the EDC, is that correct?

11 A (McNamara) That is correct.

12 Q And, so, the costs associated with the RDAF that
13 the Company seeks to recover in this proceeding
14 are not part of the EDC family of costs, are
15 they?

16 A (McNamara) Correct.

17 Q Okay. Thank you. And if you could please
18 provide just a brief explanation of how the RDAF
19 was calculated?

20 A (McNamara) Sure. The easiest place to see that
21 would probably be referencing Exhibit 1, which
22 was the Company's initial filing in the Revenue
23 Decoupling Adjustment Factor. We already pointed
24 out that there was an error in the tariff page

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1 there, but the calculation itself is correct.

2 If you turn to Bates Page 014 of
3 Exhibit 1, that provides a summary of how the
4 RDAF itself was calculated. For each of the
5 three classes, in accordance with the Company's
6 tariff, there are three class groupings. Shows
7 the domestic and time-of-use rate, the General
8 Service rate, excluding the General Service-EV,
9 and the G1 rate. And, for the Domestic and Large
10 General Service groups, the proposed RDAF are
11 charges, and the G2 class, General Service class,
12 is a credit of \$0.00002 per kilowatt-hour.

13 Q Thank you. And could you also just briefly
14 explain how the cap was calculated and applied to
15 the RDAF?

16 A (McNamara) Sure. The Domestic class did hit the
17 cap in this filing. The cap calculation is
18 provided, it is 3 percent of revenues, and it is
19 shown in the filing on Bates Page 018. All the
20 way to the bottom, it is done by the class
21 groupings as well. And it is based on the data
22 that is in the tables that are in the top part of
23 that page, which there shows -- in the very first
24 box of that particular page shows actual

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1 distribution revenues. Those are summed down at
2 the bottom, where the cap itself is calculated.
3 And the cap on the Domestic class was just over
4 \$911,000. And, as mentioned, the Domestic class
5 did hit the cap. So, the Company has calculated
6 a deferral of just over \$47,000.

7 Q Thank you. So, there is the -- there are some
8 changes in this docket, one is the SCC, one is
9 the EDC, and then, from the prior filing, there's
10 an RDAF change. Did the Company calculate what
11 the typical rate impact would be as a result of
12 these changes only?

13 And I'm just talking about the result
14 of these changes to current rates, for example.

15 A (McNamara) Yes. There are several bill impacts
16 included in Exhibit 3. And let me get you a page
17 reference there. Starting on Bates Page 052 of
18 Exhibit 3, there are some bill impacts there
19 which present the impact associated with the
20 change in the EDC and the SCC.

21 However, if you click through those
22 pages, and you go to the last of them, which is
23 Bates Page 064, I'll give everybody a minute to
24 get there. Again, it's Bates 064 of Exhibit 3.

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 That particular page shows all August 1 rate
2 changes. So, it shows the proposed EDC, the
3 proposed SCC, the proposed Revenue Decoupling
4 Adjustment Factor, as well as the recently
5 approved Default Service rates.

6 Q So, again, what would be the change from just
7 these three elements alone to the rate? Let's
8 assume it's -- and leaving out the Default
9 Service, the costs associated with this, these
10 two filings, the Petition for the RDAF and the
11 Petition for the SCC/EDC?

12 I'm just trying to find out what these
13 costs --

14 A (McNamara) Yes.

15 Q -- the effect of these costs --

16 A (McNamara) Without changing the Default Service
17 rate?

18 Q Yes.

19 A (McNamara) The changes would be, to the
20 Residential class, would be approximately a
21 6 percent increase as a result of these three
22 changes.

23 Q And, for the record, on August 1, when the
24 default rates also take effect, what is the total

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 impact on rates, as compared to current rates?

2 A (McNamara) It is a fairly substantial decrease of
3 close to 30 percent.

4 MS. AMIDON: Okay. That's what I
5 wanted. Thank you very much, Ms. McNamara and
6 Ms. Glover, for bearing with me.

7 That's all we have.

8 CHAIRMAN GOLDNER: Okay. Thank you.
9 We'll move to Commissioner questions, beginning
10 with Commissioner Simpson.

11 CMSR. SIMPSON: Okay. Thank you, Mr.
12 Chairman. I'm going to echo your initial
13 comments. I really appreciated the work that the
14 DOE did. This was extremely helpful, the memo
15 that you pulled together. So, thank you for
16 that.

17 I guess I'd just start with some
18 general questions.

19 BY CMSR. SIMPSON:

20 Q So, is this the first time since the Company's
21 last rate case that you've had to go through this
22 process with the decoupling mechanism?

23 A (McNamara) It is.

24 Q So, just explain to us, how has it gone? You

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 know, what did you -- what was the process like
2 to transition to this paradigm from prior cases?
3 You know, what challenges presented themselves?
4 How might you adapt for future filings?

5 Just give us your general perspective,
6 if you would?

7 A (McNamara) Well, the Company has had revenue
8 decoupling in Massachusetts for Fitchburg Gas and
9 Fitchburg Electric subsidiaries for quite some
10 time, well over 10 years. So, to change to this
11 wasn't -- wasn't all that substantially
12 different. I think the hardest thing on revenue
13 decoupling for anyone when they're reviewing it
14 is that it's a mind-shift. Because it's not a
15 cost, right, it's revenue-related.

16 But, as far as what you see before you,
17 it went -- it went well, followed the Settlement,
18 followed the tariff. You know, I don't know --

19 Q Okay. There's nothing here that I have major
20 concerns with. I'm generally just trying to
21 understand your perspective. It's helpful for
22 our work with other companies as well.

23 We were just on Exhibit 3, Bates
24 Page 064, and it shows the average class impacts.

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 So, there's some pretty significant revenue
2 changes, from a downward perspective, correct?

3 A (McNamara) Correct.

4 Q So, that's always nice to see. Can you explain,
5 just generally, why we're seeing such large
6 downward changes? Is that due to the prior
7 estimated revenues being too high?

8 A (McNamara) The decreases that you're seeing on
9 Exhibit 3, Bates Page 064, those are completely
10 driven by the change in Default Service.

11 Q Okay.

12 A (McNamara) The rate -- the current rate is in the
13 25-cent neighborhood.

14 Q Uh-huh.

15 A (McNamara) And the recently approved rate is in
16 the 13-cent neighborhood.

17 Q Okay. Can you help me understand, on Exhibit 5,
18 the last two pages in the exhibit, 25 and 26,
19 there are tables for your time-of-use rates?
20 It's marked as "LSM-3".

21 A (McNamara) Are you referencing Bates Page 025
22 and 026?

23 Q Yes, I am. So, the first one has some redlines,
24 with all of the figures looking to be identical

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 to what was previously there. And then, the
2 following table I presume is the updated. But
3 I'm just not sure what's being presented here?

4 A (McNamara) This is -- I can see your confusion on
5 this. This is, when the Company made its initial
6 filing in the Revenue Decoupling filing on
7 June 1st, I believe it was, we already knew that
8 on June 16th we'd be making the Stranded Cost and
9 EDC filing. So, we didn't want to propose a
10 tariff page that we knew would require changes
11 just a couple of weeks later. So, Bates Page 025
12 is, if you see in the top right corner is marked
13 "For Informational purposes"?

14 Q Uh-huh.

15 A (McNamara) That is a version of the time-of-use
16 and EV tariff page. However, it was provided in
17 the initial June 1 RDAC filing, and then
18 subsequently here in the revised filing, to
19 just provide the Commission and DOE with a frame
20 of reference what that page was going to look
21 like --

22 Q Uh-huh.

23 A (McNamara) -- when the Revenue Decoupling
24 Adjustment Factor was incorporated.

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1 The following page, Bates Page 026, is
2 the proposed tariff page, showing the TOU and EV
3 rates --

4 Q For August 1st?

5 A (McNamara) -- for effect August 1st, --

6 Q Okay.

7 A (McNamara) -- incorporating all August 1 rate
8 changes. So, the RDAF, which is shown there, as
9 well as the EDC, Stranded Cost Charge, and the
10 Default Service rates.

11 Q Okay. That's very helpful. Thank you.

12 So, then, I want to return to Bates
13 Page 076 in Exhibit 3 please. It takes me a
14 moment to get there as well. It's quite a large
15 file.

16 Okay. Are you there?

17 A (Glover) I think so. Hold on.

18 Q It's "Table 2", in LSG-1.

19 A (Glover) Oh.

20 Q It's the comparison.

21 A (Glover) Okay. Thank you.

22 Q Yes. No problem.

23 A (Glover) I am working off a completely different
24 document, apparently. Table 2, "Comparison of

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 Estimated External", okay.

2 Q Yes, "for August '23 through July '24 to the
3 projected"?

4 A (Glover) I'm with you.

5 Q Okay. So, this generally describes all of the
6 line items in the EDC, correct?

7 A (Glover) Right. This corresponds to what you
8 would see in LSG-2.

9 Q Okay.

10 A (Glover) Uh-huh.

11 Q Very good. So, you discussed the "transmission
12 service", "third party transmission service".
13 So, all of it comes from an Eversource
14 transmission affiliate, correct, for UES?

15 A (Glover) Some of it is ISO-New England, and the
16 rest of it is Eversource.

17 Q Okay. Distinguish that for me?

18 A (Glover) So, what comes from Eversource would be
19 Line (a) in here, which is the "Third Party
20 Transmission", and also Line (c) here is
21 Eversource. Line (b) is ISO-New England
22 transmission.

23 Q I guess what I meant to -- or, what I intended to
24 ask was, all of the transmission that provides

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 service to UES is owned by an Eversource
2 affiliate?

3 A (Glover) That's correct. Yes.

4 Q But there are costs that the Company has to pay
5 to ISO-New England for the, let's say, "virtual"
6 services that they provide?

7 A (Glover) Yes.

8 Q Okay. So, just generally break those down for
9 us? So, transmission service from Eversource,
10 what is it that you're getting from them?

11 A (Glover) So, the "Third Party Transmission", this
12 Line (a), is Network Integration Transmission
13 Service. It's basically a wheeling service that
14 we're paying for. It utilizes, basically, the
15 network load. So, whatever is coincident, our
16 network load coincident with Eversource's system
17 peak is what we are being charged for this.

18 Q And that's a rate approved by the Federal Energy
19 Regulatory Commission, correct?

20 A (Glover) It is. Their rate is approved.

21 Q Yes.

22 A (Glover) So, we pay whatever their rate is,
23 that's correct. So, and then, Line (c), which is
24 also through Eversource, that's Wholesale

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 Distribution Service that we get from them. That
2 is also based on our peak load coincident with
3 the Eversource system peak, also a FERC rate that
4 they provide to us. And they just would multiply
5 it by the two rates. There's a transmission rate
6 and a nontransmission portion of that, and it's
7 just a straight math exercise.

8 Q Uh-huh.

9 A (Glover) And then, for the "Regional and
10 Operating" transmission, also uses our peak load
11 coincident with Eversource's system peak load.
12 And that -- those calculations are based on
13 ISO-New England's OATT tariff rates, Schedule 9,
14 Schedule 1. So, whatever those rates are in
15 effect at the time, they usually change -- they
16 have been now changing January 1st of every year,
17 and we take those monthly rates and multiply it
18 by our peak load.

19 Q And do you know what service is embedded within
20 Line (b) that is the cost driver? Why is that
21 five times or so what the Eversource network
22 services are?

23 A (Glover) I would say that it's largely a function
24 of the rates that we're paying for each one of

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 these, because they vary. So, for example, Line
2 (c), the Third Party Transmission, --

3 Q Uh-huh.

4 A (Glover) -- those rates are based -- they're
5 stable. They haven't changed. They're like
6 \$1.11 for demand. It's a good demand charge. I
7 think it's \$1.11. That was set way back many
8 years, predates me.

9 Q Yes. Yes. I'm just -- again, I don't see an
10 issue with any of the figures. I'm just trying
11 to understand.

12 A (Glover) Yes. This wholesale distribution, it's
13 a demand charge, it's \$1.11. And we pay it for
14 the Capital Region and our Seacoast Region.

15 Q Uh-huh.

16 A (Glover) That hasn't changed. So, that number is
17 much smaller in comparison to what we're paying
18 for regional transmission. You've got a number
19 of Open Access Tariff rates that we are
20 utilizing, that we all have to build into that
21 peak demand -- or, our peak load, excuse me, not
22 "demand", it's peak load.

23 Q Okay.

24 A (Glover) So, those numbers are much greater than

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 what we're getting for the demand on and off
2 peak.

3 And then, for Third Party Transmission
4 with Eversource, also somewhat smaller, because
5 it's just a single point of load. The rates are
6 very low in comparison to what we are paying for
7 the regional transmission. We also, because of
8 the way that their rate design is done, a portion
9 of that, the nontransmission portion of it is
10 actually a credit. So, what you don't see in
11 here is, probably about two years ago Eversource
12 stopped doing true-ups, we would get a very large
13 several million dollar true-up at the end of the
14 year, which would throw off the budget balance
15 here.

16 Q Uh-huh.

17 A (Glover) And it was all based on estimates of
18 what our load would be. They have now changed
19 that. We are billed directly on what our load
20 is. And, so, we're not overpaying or
21 underpaying, and then truing it up later at the
22 end.

23 Q Is that on a monthly basis?

24 A (Glover) We pay all of these on a monthly basis.

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 Q Okay.

2 A (Glover) So, their rate, I mean, I can give you
3 their rate, I don't know if it matters, but --

4 Q That's okay.

5 A (Glover) So, the rate is much, much lower than
6 what we're paying for regional transmission.
7 Although the number that we're using, which is
8 that peak load coincident with Eversource's
9 system peak, that number is the same for all
10 three of these calculations, but the magnitude of
11 the rates are different.

12 Q And is that Local Network Service and Regional
13 Network Service?

14 A (Glover) Yes. (a) is Local Network Service.

15 Q Okay. And do you have any sense of why the
16 Regional Network Service is so much more
17 expensive than Local Network Service? I know I'm
18 asking -- these are complicated questions. And,
19 again, I'm just trying to understand.

20 A (Glover) Well, I think you know that Regional
21 Network Service, the rates are calculated based
22 on a number of things, which include peak loads,
23 revenue requirements, and, you know, revenue
24 requirements for transmission owners continue to

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 go up.

2 Q Uh-huh.

3 A (Glover) And, so, those ratios of loads and
4 revenue requirements are what drives the tariffs.
5 If I had a crystal ball, I could tell you that
6 they might go down. But I will tell you that
7 it's slightly lower for this year, in 2023, than
8 it was last year, the large OATT RNS rate.

9 Q Okay.

10 A (Glover) It's slightly lower.

11 Q Interesting. Thank you for that.

12 A (Glover) Uh-huh.

13 Q Okay. Then, moving down, just interested in net
14 metering credits. So, no longer implementing
15 lost base revenue pursuant to the Settlement
16 Agreement in the Company's last rate case,
17 correct?

18 A (McNamara) Correct.

19 Q So, is this the historical costs that we're
20 seeing here for lost base revenue? The 12
21 million, roughly, 11 and a half?

22 A (Glover) I don't believe so. Those are actual
23 costs.

24 A (McNamara) I'm having a hard time finding the

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 number you're referencing.

2 Q So, I'm on Exhibit 3, Bates Page 076. It's
3 "Table 2". Take your time.

4 A (McNamara) Did you say "net metering" or did you
5 say --

6 Q Yes. I'm looking at Line (n).

7 A (McNamara) Okay, the net metering. And, I
8 apologize, if I --

9 Q I guess I should have used "displaced revenue",
10 is what I --

11 A (McNamara) Displaced revenue is down on Line (s).
12 Net metering credits are the credits that are
13 paid to net metering customers for --

14 Q Okay. Okay. Perfect. That is helpful. And,
15 so, in terms of no longer receiving credit for
16 displaced revenue from net metering customers,
17 pursuant to the Settlement Agreement in your last
18 rate case, didn't that take effect in '22?

19 A (McNamara) The Company's last rate case took
20 effect June 1, 2022. Yes. So, the displaced
21 revenue that you see here on Line (s) --

22 Q Uh-huh.

23 A (McNamara) -- of "51,157" represents displaced
24 revenue through May 31st, 2022. And this will be

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 the last time you see it for future periods.

2 CMSR. SIMPSON: Okay. Perfect. Thank
3 you. That is clarifying the question that I had.

4 I think that's all I have right now.
5 Thank you.

6 CHAIRMAN GOLDNER: Thank you. Let's
7 move to Commissioner Chattopadhyay.

8 BY CMSR. CHATTOPADHYAY:

9 Q So, there was some discussion about "stranded
10 cost", and there are these contracts. When are
11 those contracts going to end, or when do you
12 expect the Stranded Cost Charge would not be an
13 issue anymore?

14 A (Glover) The contracts will end when we have
15 engaged a FERC attorney to help us get out of
16 them. They just auto renew. We're talking about
17 the Hydro-Quebec contracts?

18 Q Yes.

19 A (Glover) Yes. There were three other contracts
20 that we were a party to, which terminated in
21 2020. We were not aware that there were two
22 other contracts that would not also at the same
23 time terminate. So, we are still a party to the
24 two, they're HQ AC Support Agreements. And we

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1 just need some assistance with a FERC attorney to
2 help us figure out how to remove ourselves from
3 the obligations of paying those.

4 Q So, you have actually made the FERC attorney
5 aware of this situation?

6 A (Glover) We have been engaging someone to help us
7 out with it.

8 Q Okay.

9 A (Glover) It's a process.

10 CMSR. CHATTOPADHYAY: Okay. I'll
11 continue with my questions, but I know that
12 Commissioner Simpson has a follow-up. So, I'll
13 let him jump in on this issue.

14 BY CMSR. SIMPSON:

15 Q That was such a good question, I couldn't help
16 myself but ask were those PURPA contracts?

17 A (Glover) I don't know the answer to that
18 question.

19 Q Could you describe the nature of the legacy
20 agreements, the ones that terminated and the HQ
21 one that you're still looking to terminate?

22 A (Glover) These were agreements that were started
23 back when Hydro-Quebec was building their
24 transmission lines to come across into ISO-New

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1 England, back in the '80s, I guess. And, at that
2 time, my understanding is is that, for those to
3 be built, there needed to be revenue and
4 off-takers, so to speak. And transmission
5 owners in ISO-New England area became parties to
6 those contracts and those agreements. There
7 were a number of them. And the two that are
8 still outstanding for us are supporting their
9 BECO [sic] and New England -- they're like
10 National Grid contracts, that support payments
11 for AC equipment associated with those lines.
12 These contracts date back to the '80s.

13 Q So, they're just transmission, there's no power
14 purchase agreements?

15 A (Glover) No, there's no power. These are
16 transmission support agreements --

17 Q Uh-huh.

18 A (Glover) -- that are associated with building
19 those transmission lines from Hydro-Quebec.

20 CMSR. SIMPSON: Okay. Thank you,
21 Commissioner Chattopadhyay, for your indulgence.

22 CMSR. CHATTOPADHYAY: No problem.

23 BY CMSR. CHATTOPADHYAY:

24 Q So, you didn't provide an estimate of when these,

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 you know, contracts will go away. Is that
2 because you really don't know yet?

3 A (Glover) I really don't know.

4 Q Can they last a long time?

5 A (Glover) They will last in perpetuity, until we
6 remove ourselves off those agreements. Yes.

7 Q And you are pursuing --

8 A (Glover) We are pursuing --

9 Q -- diligently? And that's a loaded word, but --

10 A (Glover) We are working on it.

11 Q Okay. So, this is just to make sure I'm
12 following the numbers here. So, you had
13 mentioned something about the EV rates, where you
14 had incorrectly in the tariff page had reflected
15 the RDAF. So, you've just taken that out.
16 That's all you did, right?

17 A (McNamara) That is all I did, yes.

18 Q And what is the history behind not having RDAF
19 associated with EV rates, I'm just curious?

20 A (McNamara) I don't know a lot of the history.
21 All I can tell you is, in the Settlement
22 Agreement in the Company's last rate case, it was
23 developed that way.

24 I don't know if maybe someone else has

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 some information that was party to the rate case,
2 that might be able to add a little bit more
3 color.

4 Q Yes. Feel free to add color. I always like
5 that.

6 *[Laughter.]*

7 **BY THE WITNESS:**

8 A (Goulding) I missed the question that you were
9 asking, "why the Whole House TOU-EV rates were
10 part of the Revenue Decoupling Mechanism?"

11 BY CMSR. CHATTOPADHYAY:

12 Q No. I mean, the RDAF is not applicable on the EV
13 rates. I'm just curious what is the history
14 behind it? If you know? If you don't know,
15 that's fine. We'll go with black and white.

16 A (Goulding) So, the separately metered EV-TOU
17 rates were outside of decoupling. They
18 weren't -- there was no revenue assigned to them.
19 We didn't have revenues that were coming in from
20 those customers. So, we did not include those as
21 part of the Revenue Decoupling Adjustment
22 framework.

23 Q That makes sense. Thank you. So, there was
24 some, in the DOE's questioning, there was a

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 mention of "RGGI costs". Are there any RGGI
2 costs or are we simply talking about, you know,
3 proceeds?

4 A (Glover) The RGGI are proceeds.

5 Q There are no costs associated with implementing
6 and all of that?

7 A (Glover) No. It's an allocation that comes from
8 the RGGI auction that flows from the New
9 Hampshire's portion to UES's portion.

10 Q Okay. Since for the Residential class you have
11 reached the cap, and there is a deferral, what
12 happens to the deferral as you go forward?

13 A (McNamara) The Revenue Decoupling Adjustment
14 Factor is reconciling. And, in accordance with
15 the tariff, the deferral will remain in the
16 mechanism, and just continue to next year. And
17 then, the cap again will be calculated, and,
18 hopefully, at that time be able to have the
19 deferral incorporated into the rate next year.

20 Q Okay. Let's go to Bates Page 064 of Exhibit 3.
21 Are you there?

22 A (McNamara) I am.

23 Q Okay. So, if you -- we were talking about the
24 percentage change in revenue, and it's -- and

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 those numbers are pretty significant, the, you
2 know, negative. But I notice that, for Large
3 General Service, the number is positive, and it's
4 "15.3 percent". And you had talked about how
5 this is largely being driven by the Default
6 Service. I'm just curious what's going on with
7 Large General Service?

8 A (McNamara) Sure. As you know, the Large General
9 Service G1 customers for UES pay monthly Default
10 Service rate. It is not calculated at all the
11 same as the other two classes. So, this
12 particular page that you're referencing, Bates
13 Page 064, the Default Service rate that is used
14 in this scenario is unchanged from the rate that
15 was in effect in June, which I don't know off the
16 top of my head, but I want to say it was probably
17 in the 6-cent per kilowatt-hour range. Whereas
18 the other classes are experiencing that large
19 decrease from having a roughly 25-cent rate,
20 Default Service rate, down to roughly, you know,
21 12 or 13 cents.

22 Q So, this is, and maybe I'm not fully following
23 this, so, it's the same rates are being applied
24 for the Default Service rate for that class,

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 that's why the number is higher?

2 A (McNamara) For that class, for the G1 class, yes.
3 The same rate as I have noted there on that page,
4 it's the June 2023 rate, --

5 Q Okay.

6 A (McNamara) -- is in both sides of the equation.

7 CMSR. CHATTOPADHYAY: I think I will
8 leave it at that. There was one more question,
9 but, at this point, I've already forgotten it.
10 So, we'll go. Thank you.

11 CHAIRMAN GOLDNER: Okay. My questions
12 revolve around a follow-up to Attorney Amidon's
13 question, Exhibit 3, Bates Page 406. So, this is
14 relative to the Low-Income EAP Program.

15 BY CHAIRMAN GOLDNER:

16 Q And, so, my first question is, can the Company
17 help us understand how the Low-Income discounted
18 tariff rates that we see here came to be appended
19 to this annual reconciliation petition? Is
20 there -- can somebody help me with the history?

21 A (McNamara) Sure. This particular page,
22 Low-Income discounts, is really just a math
23 exercise. It takes the -- any approved rate, and
24 then applies the Low-Income discount to those.

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1 So, in the column here that you're seeing, that's
2 in the pinkish-orange color, which is the
3 "Delivery Only; Excludes Supply" column, those
4 are the proposed delivery rates. So, therefore,
5 it would -- any approved rate the Company has
6 already approved, distribution rates, the SBC, as
7 well as the proposed Stranded Cost Charge,
8 proposed EDC, proposed Revenue Decoupling
9 Adjustment, takes those rates and applies the
10 percentages that you're seeing under the third
11 column marked "Discount".

12 And then, the other remaining columns,
13 the middle column, "Fixed Default Service
14 Supply", and then the last column that are done
15 by month with the "Variable Default Service",
16 take the recently approved Default Service rates
17 effective August 1, and -- for the Residential
18 class, and applies those same percentages.

19 So, this particular page will change
20 any time there is a rate change for the
21 Residential class.

22 Q Okay. So, there's a rate change every six
23 months?

24 A (McNamara) That sounds right. I've lost track

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 now.

2 Q I think that's right. And then -- and, so, we're
3 seeing this rate for effect August 1st. How
4 would we see the one for six months from now or
5 the next rate change? When would we see that?

6 A (McNamara) The next rate change that I believe is
7 on the horizon would potentially be January 1,
8 perhaps, if the SBC changes, but that is not
9 always going to happen. And then, the time after
10 that that you would see it again would be in the
11 next Default Service change, which would be for
12 effect February 1. So, you would see it in the
13 December filing.

14 Q So, the next time we would see something, as a
15 Commission, would be in the December filing?

16 A (McNamara) Yes, I believe so. Unless the SBC
17 filing was made prior to that, then you would see
18 it, again, if there was an SBC change.

19 Q Okay. Because it seems like there's a lot of
20 different changes that are rolling into this, and
21 somebody somewhere is reconciling all these
22 things, and making sure that the rate's right.

23 Is there something -- this is a very
24 nice slide that summarizes everything. Is there

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 background calculations? Or, how can the
2 Department or the Commission have confidence that
3 these are the right calculations, within the
4 right timeframes, with all the right rolling
5 numbers?

6 A (McNamara) Right. Well, the Excel file that has
7 accompanied the filing with the proposed tariff
8 pages, as I mentioned, this particular page is
9 completely a math exercise. It takes the rates,
10 the Residential class, delivery rates and Default
11 Service rates, and applies those percentages.
12 So, if you were to pull up the Excel file, you
13 would be able to see how that's done.

14 But, if it would be helpful, I could
15 certainly provide a page showing the math being
16 done.

17 CHAIRMAN GOLDNER: And I think, in the
18 future, that might be helpful, just to gain
19 confidence that this consolidation makes sense.

20 Is it, Attorney Amidon, is this
21 something that the Department has reviewed and is
22 comfortable with these calculations?

23 MS. AMIDON: I think we're comfortable
24 with the calculations. But we did notice that

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1 there is -- all the changes in this filing are
2 very complex, and we did not find any particular
3 item in it that mentioned the discount rates. It
4 looked like a tariff page to me. And that's why
5 I asked whether they were asking for approval,
6 because it wasn't clear to me that that was among
7 the changes.

8 And, yes, I've seen this
9 docket [document?] before. But, and we have had
10 a chance to review at least the content of the
11 pages' calculations being correct.

12 But it is kind of an add-on that comes
13 in different filings, as you pointed out. And,
14 so, I just thought I wanted to point it out to
15 the Commission, so that you would know what is
16 going on. I mean, I've seen it before, but I
17 didn't know if the Commission had observed this
18 particular page.

19 Thank you.

20 CHAIRMAN GOLDNER: No, thank you.

21 Sorry. Thank you for pointing it out.

22 BY CHAIRMAN GOLDNER:

23 Q So, maybe, Ms. McNamara, could you summarize the
24 ask here? What are you -- you're looking for the

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1 Commission to approve this page as your tariff
2 filing?

3 A (McNamara) I believe the final version of -- I
4 just want to reference Exhibit 5, because I don't
5 recall what particular tariff page was filed in
6 there.

7 Oh, okay. Exhibit 5 included the
8 proposed EV and TOU tariff page, which is the
9 Company's Tariff Page 5-A. And then, yes, in
10 this particular filing, let me see, Exhibit 3, I
11 just want to be explicit, Bates Pages 403, 404,
12 we will skip 405, because we know that had a
13 change, 406, 407, and 408 are the proposed tariff
14 pages.

15 Q Okay. Okay, thank you. Okay. And I think we
16 also have an upcoming docket, 22-043, where I
17 think the utilities have proposed a change to the
18 discount rates via the Colton Report. And, so
19 that, I'm back on 406, column -- the third column
20 over from the left shows the discount rate, which
21 there's a proposed change on. So, if those were
22 to change, and I think that filing is an
23 October 1st implementation, then the Company
24 would change those discount rates, and at the

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 next available filing would have sort of a
2 weighted average of the discount rates and the
3 correct time periods, and we would get an updated
4 tariff, is that correct?

5 A (McNamara) That is correct.

6 CHAIRMAN GOLDNER: Okay. Okay, thank
7 you. That's very helpful.

8 Okay. Thank you. What we'll do now is
9 the Commission will take a -- we'll take a quick
10 break, and come back at, it will be very quick,
11 so 20 after, so just a ten-minute break, we'll
12 come back and make sure that we have everything
13 sorted, and then we'll wrap up. So, we'll return
14 at 10:20. Thank you.

15 *(Recess taken at 10:11 a.m., and the*
16 *hearing resumed at 10:20 a.m.)*

17 CHAIRMAN GOLDNER: Okay. Just a couple
18 of quick follow-ups, and then we'll move to
19 redirect.

20 Commissioner Chattopadhyay.

21 CMSR. CHATTOPADHYAY: Yes. So, I
22 remembered what I wanted to ask.

23 BY CMSR. CHATTOPADHYAY:

24 Q I'm sure you calculated the revenue per customer

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1 numbers and filed it. Give us a sense of how the
2 number of customers has changed? And, if you
3 want to talk about the different classes, that's
4 fine. But I want to get a narrative on that.

5 A (McNamara) And I assume you're referencing
6 Exhibit 1, the Company's Revenue Decoupling
7 Adjustment Factor filing?

8 Q Yes. I should have said that.

9 A (McNamara) No. No, that's quite all right.
10 There are a few pages in there. I don't believe
11 there is a page, though, that -- when you say
12 "change", you mean versus the test year?

13 Q Yes.

14 A (McNamara) That is not information that is
15 included in this filing. So, I really -- I
16 couldn't speak to how that has changed over the
17 last I guess it's been -- well, it would have
18 been one year, right, versus -- because this is
19 June, June 2022, to March of 2023, and the test
20 year would have been the previous period, I
21 believe. I don't have that information on how
22 the customer counts would have changed.

23 Q That is fine. We can always take a look at the
24 numbers before. But can you throw some light on

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1 how the number of customers have changed over the
2 year? So, when you take the RPC and multiply it
3 by the number of customers, I'm curious how that
4 has played out for the different rate classes, if
5 you know?

6 A (McNamara) I'm not 100 percent certain I'm
7 following your question. However, the data that
8 you're speaking to might be shown on Bates
9 Page 018 of Exhibit 1.

10 Q Just a moment.

11 A (McNamara) It's marked as "Schedule LSM-1 Page 5
12 of 7".

13 Q Yes. And I think my question is, you have the
14 actual counts there, right?

15 A (McNamara) Yes.

16 Q How have they changed over the year? And maybe,
17 if it's not here, we can always go back and
18 check.

19 A (McNamara) Well, the second box --

20 Q Yes.

21 A (McNamara) -- on this particular table shows the
22 Actual Customer Counts.

23 Q Yes.

24 A (McNamara) And, as you can see, and just

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1 eyeballing it, for the Residential class, --

2 Q Just a moment. Yes. Go ahead.

3 A (McNamara) Again, we're in the second box, --

4 Q Yes.

5 A (McNamara) -- in that first -- or, second column
6 really, "Residential D and Time-of-Use". In June
7 of 2022, there were "69,450" Residential
8 customers, and then, in March of 2023, "68,226".
9 So, slight decrease; whereas the other classes I
10 don't necessarily see that.

11 CMSR. CHATTOPADHYAY: Yes. I think
12 it's because this is all monthly. Probably be a
13 better comparison if you told me what the numbers
14 were a year ago for the different months. So --
15 but we can always check that at our end anyway.
16 So, thank you.

17 WITNESS McNAMARA: And I have that
18 noted. So, I will include that information next
19 year.

20 CMSR. CHATTOPADHYAY: Thank you. Yes.

21 CHAIRMAN GOLDNER: Okay. The only
22 other item from a Commission standpoint is, and
23 I'll address this to Attorney Campbell, is that
24 we'd like a list of schedules that you're asking

[PANEL: Goulding|Nawazelski|Glover|Dixon|McNamara]

1 for approval of. So, an exhibit that gives us
2 clarification. It's an enormous filing. And, as
3 some of the line of questioning exhibited, we
4 were -- we're having a hard time understanding
5 exactly what you're seeking approval of today, in
6 terms of exhibits. So, that would be a helpful
7 "Exhibit 6".

8 **(Exhibit 6 reserved)**

9 CHAIRMAN GOLDNER: And then, I'll ask
10 you, Attorney Campbell, you may want to consult
11 with your team, in terms of timing, where you've
12 asked for the approval by August 1st, today's the
13 25th.

14 MR. CAMPBELL: Right.

15 CHAIRMAN GOLDNER: So, I don't know if
16 that's something you could deliver tomorrow or
17 the next day? Is there a timing you could commit
18 to?

19 MR. CAMPBELL: Certainly. Can I have
20 one moment please?

21 CHAIRMAN GOLDNER: Please. Yes.

22 *[Atty. Campbell and Witness Goulding*
23 *conferring.]*

24 MR. CAMPBELL: I think we should be

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1 able to provide that by close of business
2 tomorrow.

3 CHAIRMAN GOLDNER: Thank you very much.

4 MR. CAMPBELL: If that's acceptable to
5 you?

6 CHAIRMAN GOLDNER: That's very helpful.
7 Thank you. That's perfect. Thank you.

8 Okay. I think that's it for
9 Commissioner questions?

10 *[Cmsr. Simpson and Cmsr. Chattopadhyay*
11 *indicated in the affirmative.]*

12 CHAIRMAN GOLDNER: Yes. Okay. We can
13 move to redirect, and Attorney Campbell.

14 MR. CAMPBELL: No redirect from the
15 Company. Thank you.

16 CHAIRMAN GOLDNER: Okay. Very good.
17 Then, I think, at this point, we can move to any
18 closing statements, beginning with the Department
19 of Energy.

20 MS. AMIDON: Thank you.

21 The Department of Energy has reviewed
22 the filing, and determined that the appropriate
23 methodology and the resulting calculations are
24 consistent with prior orders, and result in rates

1 which we believe are just and reasonable. In
2 other words, we would recommend approval of the
3 Petition and the recovery of rates -- I'm
4 sorry -- the recovery of costs through rates
5 beginning effective August 1, as requested by the
6 Company's Petition.

7 We notice that there is a -- I believe
8 in this case, there is a pending Motion for
9 Confidentiality by the Company. And we take no
10 position on that.

11 Thank you.

12 CHAIRMAN GOLDNER: Thank you. And,
13 finally, a closing from the Company.

14 MR. CAMPBELL: The Company would like
15 to thank the Department for its recommendation
16 that the Commission approve the Company's request
17 for its Revenue Decoupling Rate Adjustment
18 Factor, Stranded Cost Charge, and External
19 Delivery Charge. I think that recommendation
20 reflects the fact that the Company has
21 demonstrated, both here today and through its
22 filings, that the RDAF, EDC, and Stranded Cost
23 Recovery Charge have been calculated accurately,
24 are in conformance with the relevant orders of

1 the Commission, and will result in just and
2 reasonable rates.

3 Accordingly, the Company requests that
4 the Commission issue an order approving these
5 rate adjustments for effect August 1st, 2023.

6 Thank you.

7 CHAIRMAN GOLDNER: Thank you. And I'm
8 slightly tardy on this, but the witnesses are
9 excused. So, usually, we do that before closing.

10 Okay. So, we'll -- let's begin with
11 the exhibits. Are there any objections to
12 striking identification on Exhibits 1 through 5,
13 and the record request marked as "Exhibit 6"?

14 MS. AMIDON: Not from the Department.

15 MR. CAMPBELL: Not from the Company.

16 CHAIRMAN GOLDNER: Okay. We'll strike
17 ID and enter 1 through 5 as full exhibits in this
18 docket, and we'll await Exhibit 6 by close of
19 business tomorrow.

20 And the Commission will issue an order
21 to address the issues raised today on or before
22 August 1st, 2023.

23 Is there anything else that we need to
24 cover today?

1 MS. AMIDON: No. I think you've
2 covered everything, Chairman.

3 MR. CAMPBELL: Agreed.

4 CHAIRMAN GOLDNER: All right. Thank
5 you very much, everyone. We are adjourned.

6 ***(Whereupon the hearing was adjourned***
7 ***at 10:28 a.m.)***

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